

Defense Supply Center Richmond

DLA Support Army Weapons Systems & RESET

Presented to

U.S. Army Aviation Logistics School

Fort Eustis, Virginia

19 February, 2004





Agenda

- **Overview and Organizational Structure**
- **Army Aviation Readiness Review**
- **Special Topics**
 - **OIF Support**
 - **RESET**
 - **New Normal**



Customer Team Operations

MISSION:

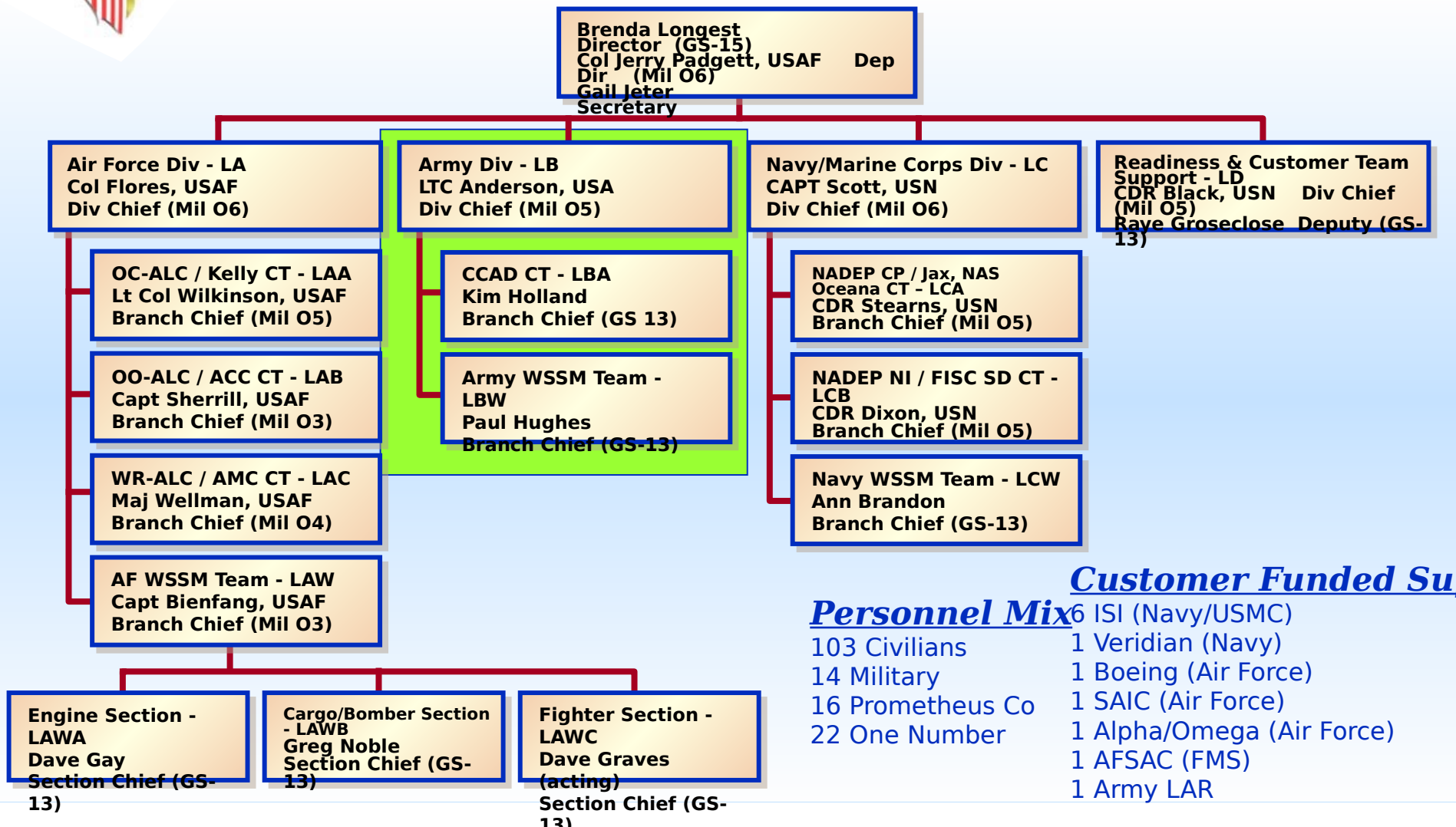
**Principal Element Responsible for Maintaining
and Improving Customer Relationships with
Our Aviation Customers**

- **1998-2002 Lead Center/Weapon System Focus**
- **2002 - to Date Customer and WS Focus**

**Weapon System Facing + Customer Facing =
DSCR-L**



Customer Team Operations DSCR-L Organization



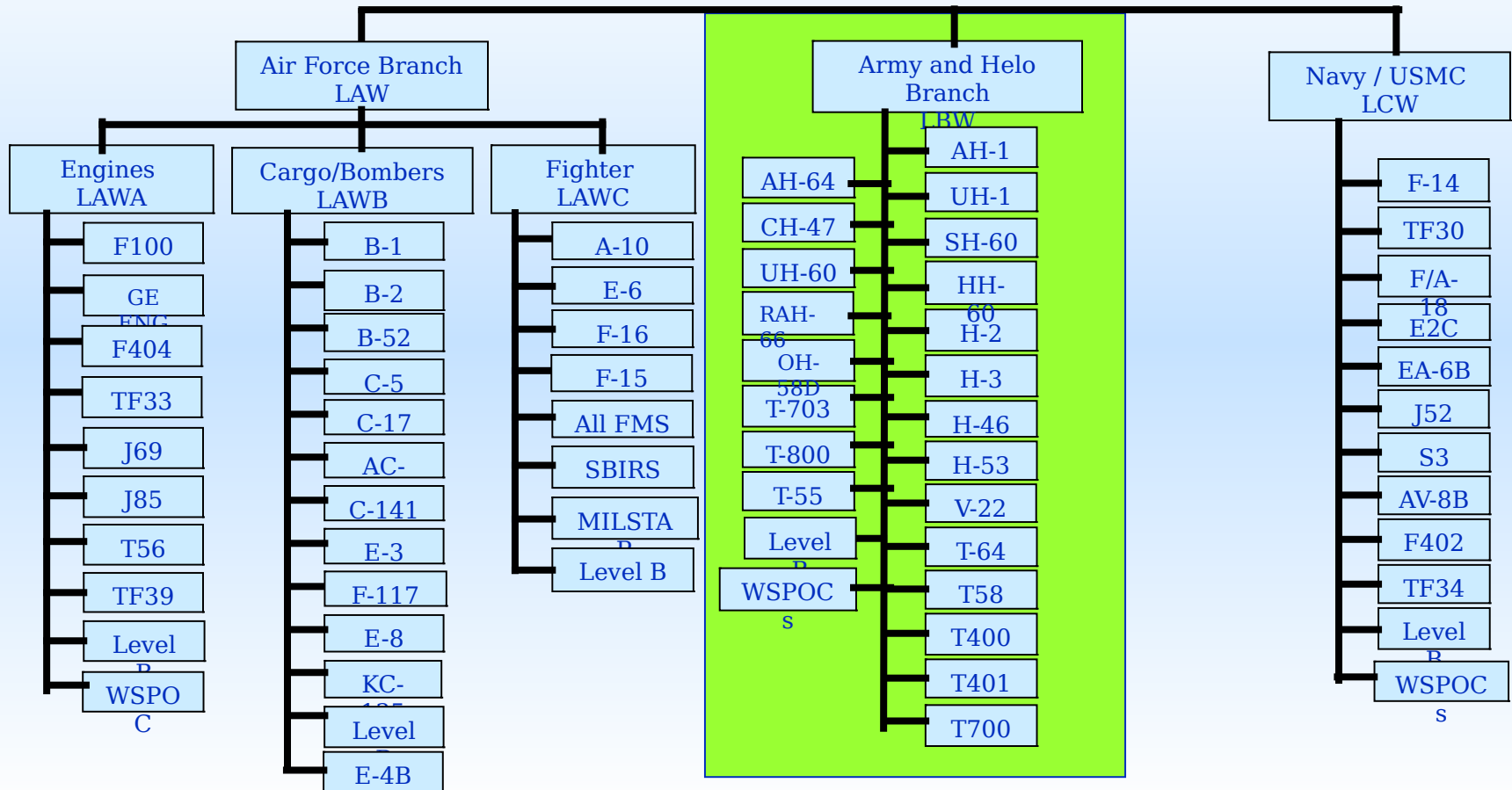


Weapon System Support Managers (WSSMs) Mission

- **Improve Aviation Supply Chain Communications**
 - **Agency Interface with Aviation Program Managers**
 - **Meet Support Challenges**
 - **Relaying Customer Concerns**
 - **Training Customers on DLA Capabilities / Processes**
 - **Meetings and Conferences**
- **Forecasting & Supply Chain Integration**
 - **Encourage/Assist with Developing Forecasts & SPRs**
 - **Supportability Asset Management Plan**
 - **Air Force Engines -- ESAMP**
 - **Navy Engines - NESAMP**
 - **Airframes - ASAMP**
 - **Critical Item List Processing**
- **Weapon System Metrics**
 - **Weapon System Readiness Reviews**
 - **Customer and Weapon System Focused Metrics**



WSSM Branch Weapon System Assignments





Customer Teams Mission

- **Teaming with Customers To Provide Improved Support**
- **Focus on:**
 - **Forecasting/Supportability Analysis of Current Support and Pinpoint Areas Where Support Can Be Improved**
 - **Kitting**
 - **Sharing Data and Information**
 - **Developing Key Metrics & SLAs**
 - **Working Key Readiness Drivers**



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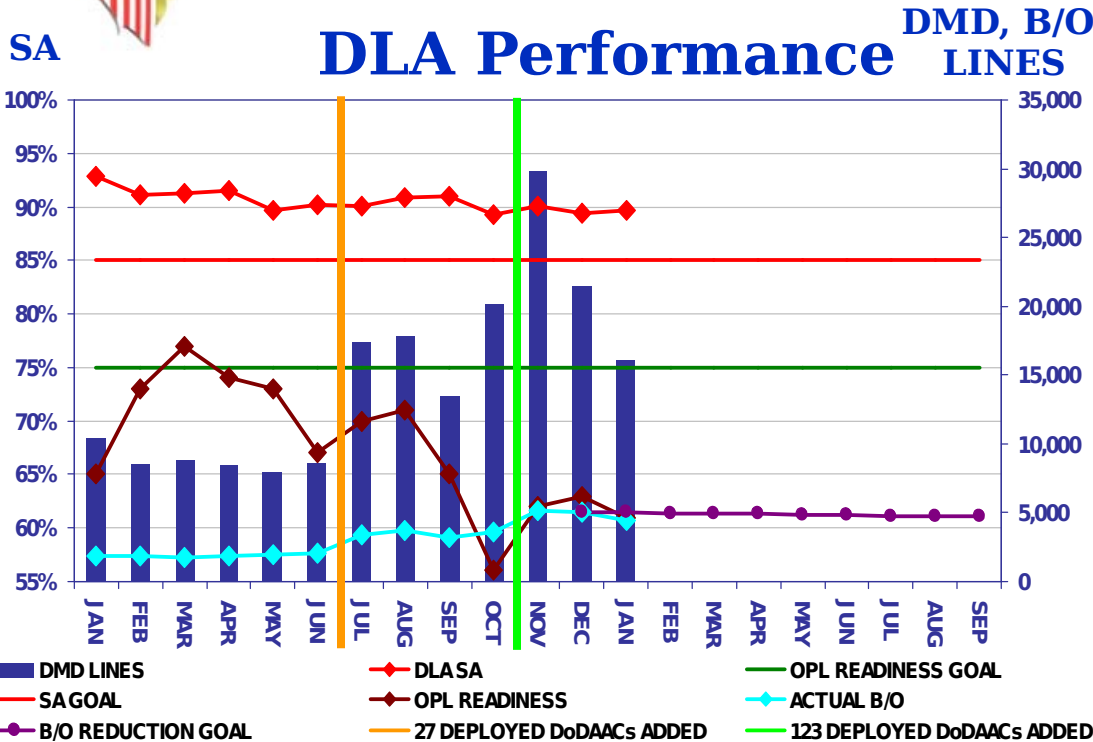
WSD C	ARMY Helicopters	B/O INDEX JAN	DLA SA JAN	STK B/O JAN	FMC %	NMC M%	NMCS %	WSSM ASSESSMEN T JAN
05A	CH-47D	6.89↑	G	G↑	61↑	26↓	5↓	Y
40A	UH-60A/L	7.52	G	G↑	75↑	13↓	8↓	Y
61A	AH-64A/D	6.82↑	G	G	69↓	15↑	5	Y
VHA	OH-58D	4.43	G	G↑	85	10	2	G



WSD C	ARMY Engine Systems	B/O INDEX JAN	DLA SA JAN	STK B/O JAN	WRE	NMC M %	NMCS %	WSSM ASSESSMEN T JAN
BXA	T700-GE-701C	5.60	G	G	13	N/A	N/A	Y
BYA	T700-GE-701 (AH-64)	5.60	G	G	5	N/A	N/A	Y
CCA	T55-GA-714A (CH-47)	3.25	G	G	R	N/A	N/A	G
CEA	T55-L-714 (CH-47)	3.25	G	G	N/A↑	N/A	N/A	G
CHA	T703-AD-700A	0.95	G	G	G	N/A	N/A	G
CJA	T700-GE-700	5.60	G	G	14↑	N/A	N/A	Y
CKA	T55-L-712 (CH-47)	3.25	G	G	G	N/A	N/A	G



CH-47 (05A)



ISSUE:

- FMC Rate Below Goal

DISCUSSION:

- NMCM-26%, NMCS-5%
- Army RESET Program and OPTEMPO contribute to the FMC rate decline

ACTION:

- WSSM Focused on RESET Program and Daily Review of Top Backorders Affecting Platform
- Coordinating with other ICPs and PMs to Meet March 04 Reset Date, and 11% B/O Reduction Goal Reset Dec 0

Source: CFM Web

Backorder Reduction Goal



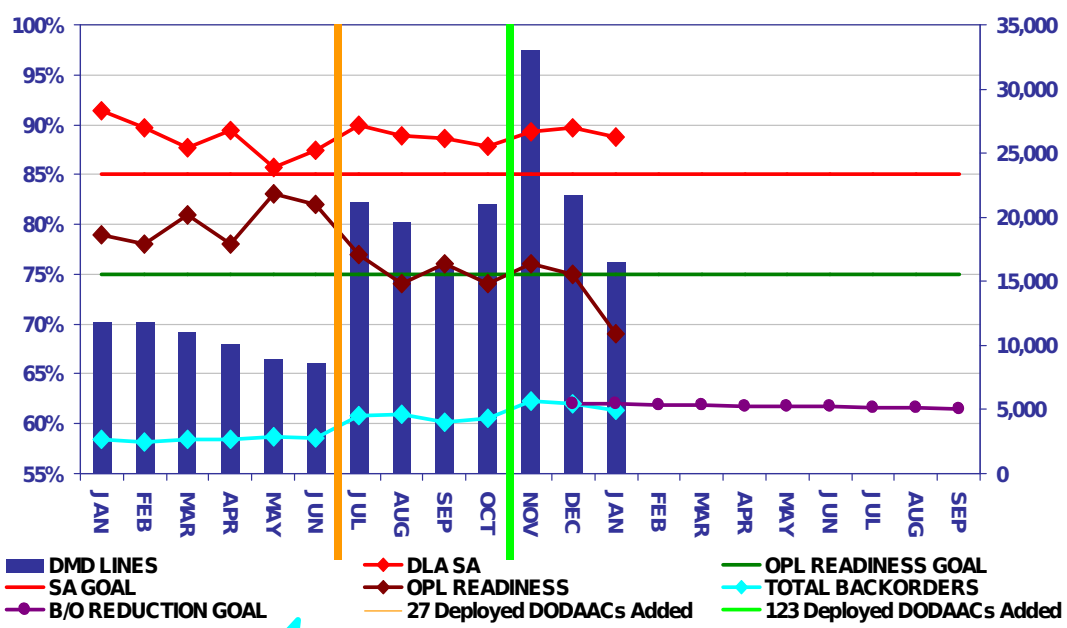
READINESS

	SA	FMC
GOAL	85.0%	75.0%
ACTUAL	89.7%	61.0%



AH-64 (WSDC - 61A, LBA)

SA DLA Performance ^{DMD, B/O} LINES



ISSUE:

- FMC Rate Below Goal

DISCUSSION:

- NMCM-15%, NMCS-5%
- OPTEMPO and Army RESET Program Attributed to the Decline in FMC Rate
- No DLA Parts Impacting Readiness

ACTION:

- WSSM Focused on RESET Program and Top Backorders to Assure Availability
- Working with POCs at all ICPs to Resolve Backorders



READINESS CRITERIA

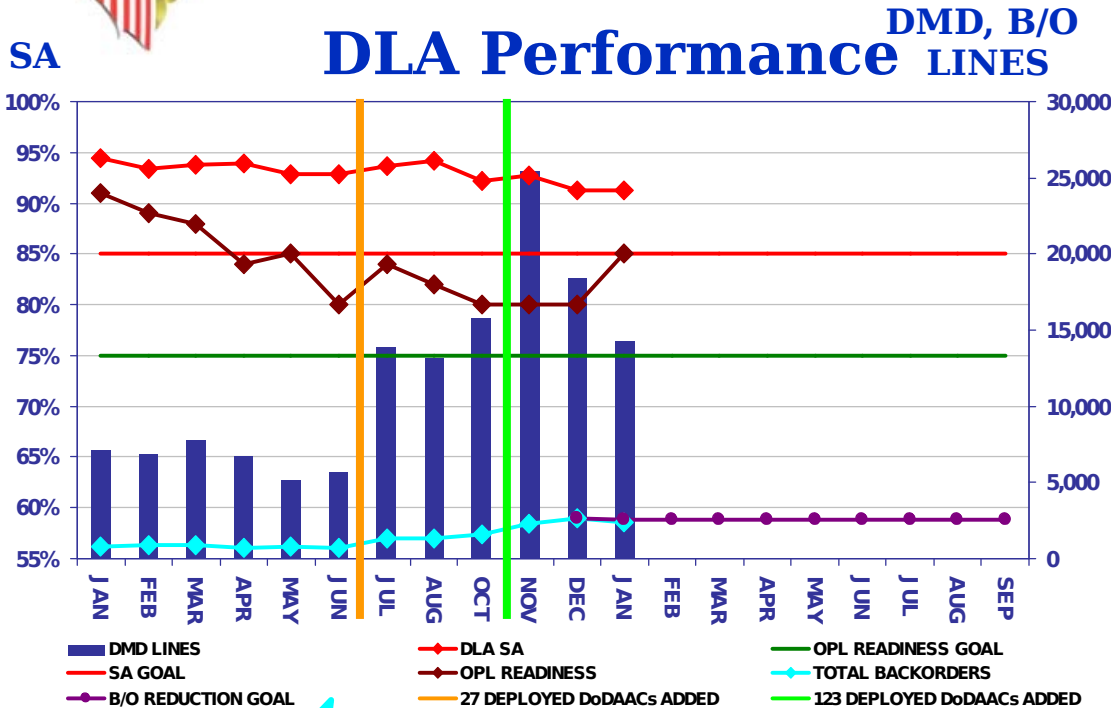
	SA	FMC
GOAL	85.0%	75.0%
ACTUAL	88.7%	69.0%



OH-58D (WSDC - VHA)

B/O GOAL IS BASED ON 5% REDUCTION

Bob Johnson



ISSUE:

- Above Goal for Supply Availability, Readiness, and Backorder Reduction.
- Total Backorders Down 10% for Jan 04

DISCUSSION:

- Active Army fleet is 2% NMCS and 10% NMCM
- NMCS/AOG Backorders Under Review
- Bell Corporate Contract -- Updated Item Notes and Delivery Schedules for Degraded NSNs.

ACTION:

- WSSM working with AMCOM
- B/O Reduction Goal Reset Dec
- Source: CFM Web

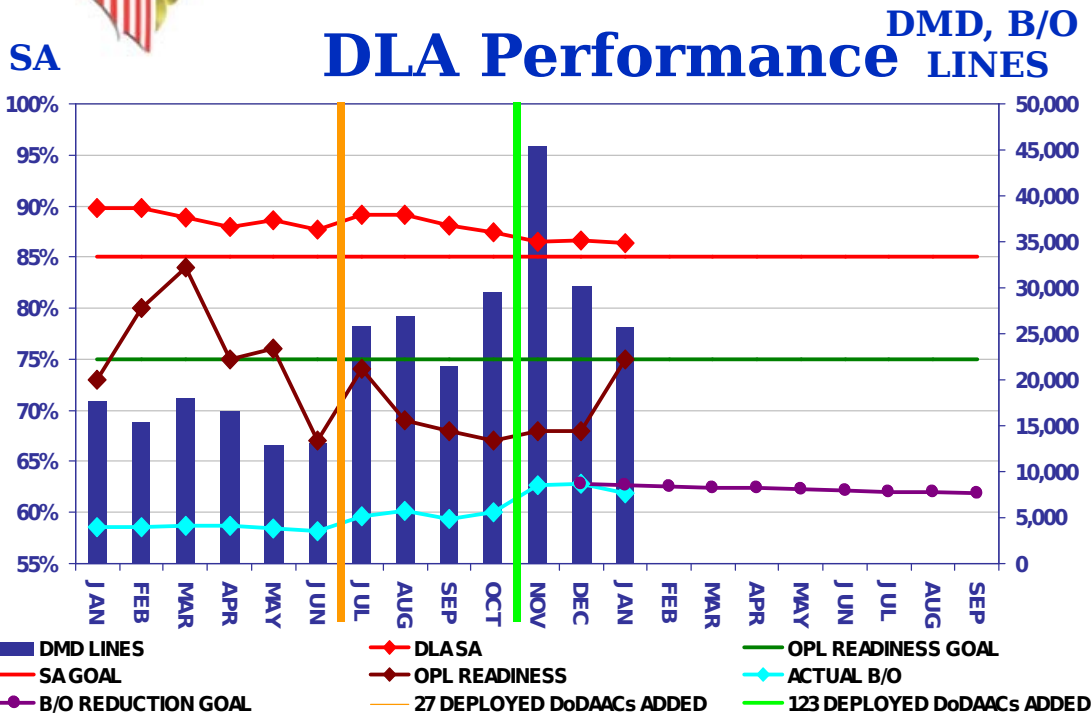
Supply Availability Above Goal

READINESS CRITERIA

	SA	FMC
GOAL	85.0%	75.0%
ACTUAL	91.3%	85.0%



UH-60 (WSDC - 40A)



ISSUE:

• Supply Availability Decreased 0.26% between Dec 03-Jan 04. Total backorders decreased from 8644 to 7661

DISCUSSION:

• Increase in Repair Parts Requirements Due to OPTEMPO and Army Reset Program. Active Army Fleet Is 8% NMCS and 13% NMCM

• No DLA NSNs Are Degrading the Readiness Rates

• DLA Improving Support With 500-hour Phase Kit and Review of Top NMCS Backorders for Consumables

READINESS

	SA	FMC
GOAL	85.0%	75.0%
ACTUAL	86.4%	75.0%

ACTION:

• WSSM Working With AMCOM PM Office for Top Reset Backorders and Long Leadtime Items; Focus on Top 10 Backorders

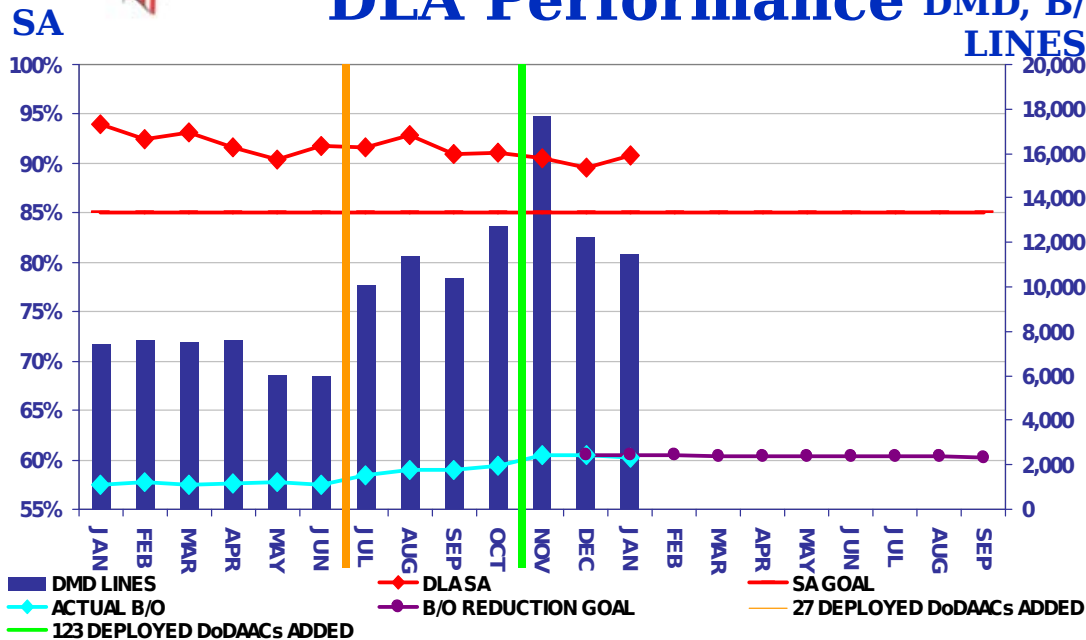
Sources: CRM Web

Supply Availability Above Goal



T700 ENGINE SERIES (WSDC-CJA, BXA, BYA, 77N, BJF)

DLA Performance DMD, B/O



ISSUE:

- Navy -401C Did Not Make RBS Goal (Level A)
- Army- 700 and -701C Did Not Make WRE Goal

DISCUSSION:

- Navy/Army Do Not Possess Spares to Achieve RBS and WRE Figures

ACTION:

- Navy - NESAMP Lists, Bi-weekly Critical Spares Phonecon
- Army War Room Focus on Top 25 and Weekly Backorder Reviews

READINESS CRITERIA

	SA	RBS-77N WRE-BJF	WRE-BXA WRE-BYA WRE-CJA
GOAL	85.0%	797/13	26/12
ACTUAL	90.9%	754/28	13/5/14

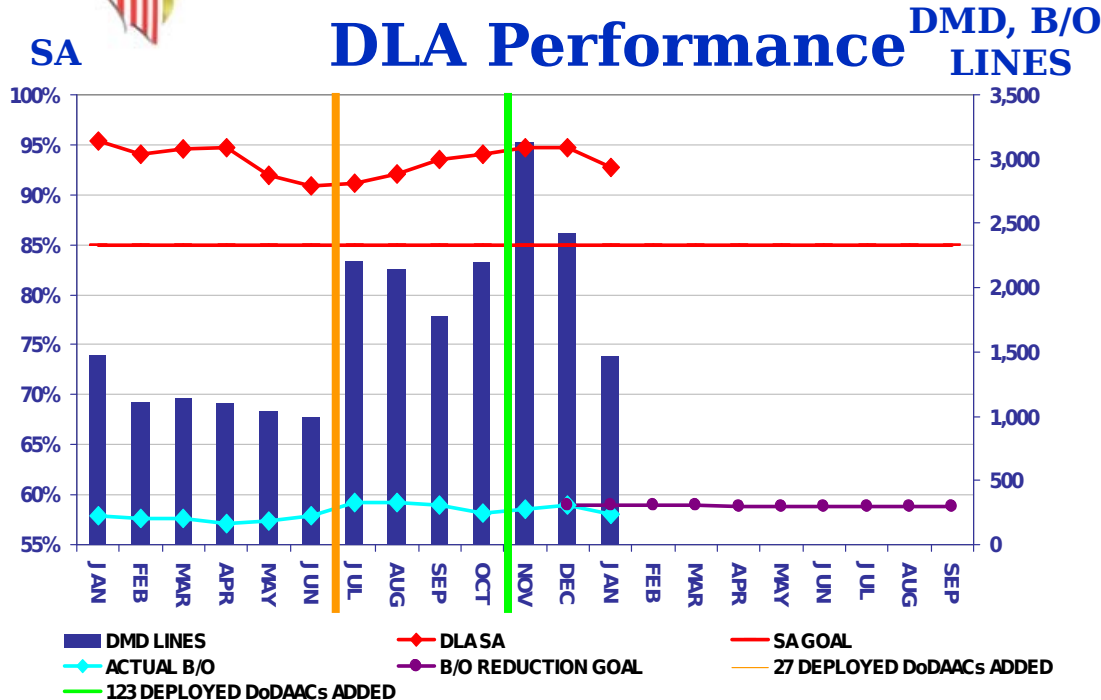
B/O Reduction Goal Reset Dec 0
Source: CFM Web

**SA
Continually
Exceeds
90%**



T55 ENGINE SERIES (CCA, CEA, CKA)

DLA Performance



ISSUE:

- Failed WRE Filter

DISCUSSION:

- No Significant DLA Degraders or Performance Drivers
- WRE Not Feasible to Achieve Goal

ACTION:

- WSSM Focused on Degraders to

Continue to Meet Established Backorder Reduction Goal

- Working Critical Maintenance Repair Parts (CMRP) Report

B/O Reduction Goal Reset Dec

Source: CFM Web Portal

READINESS CRITERIA

	WRE	
	SA	CCA/CCA
GOAL	85.0%	12/1
ACTUAL	92.8%	4/0

SA Above 90%



Army Aviation Net Demands By ICP (DLA Stocked Requisition Lines Received)

Net Demands

160,000

140,000

120,000

100,000

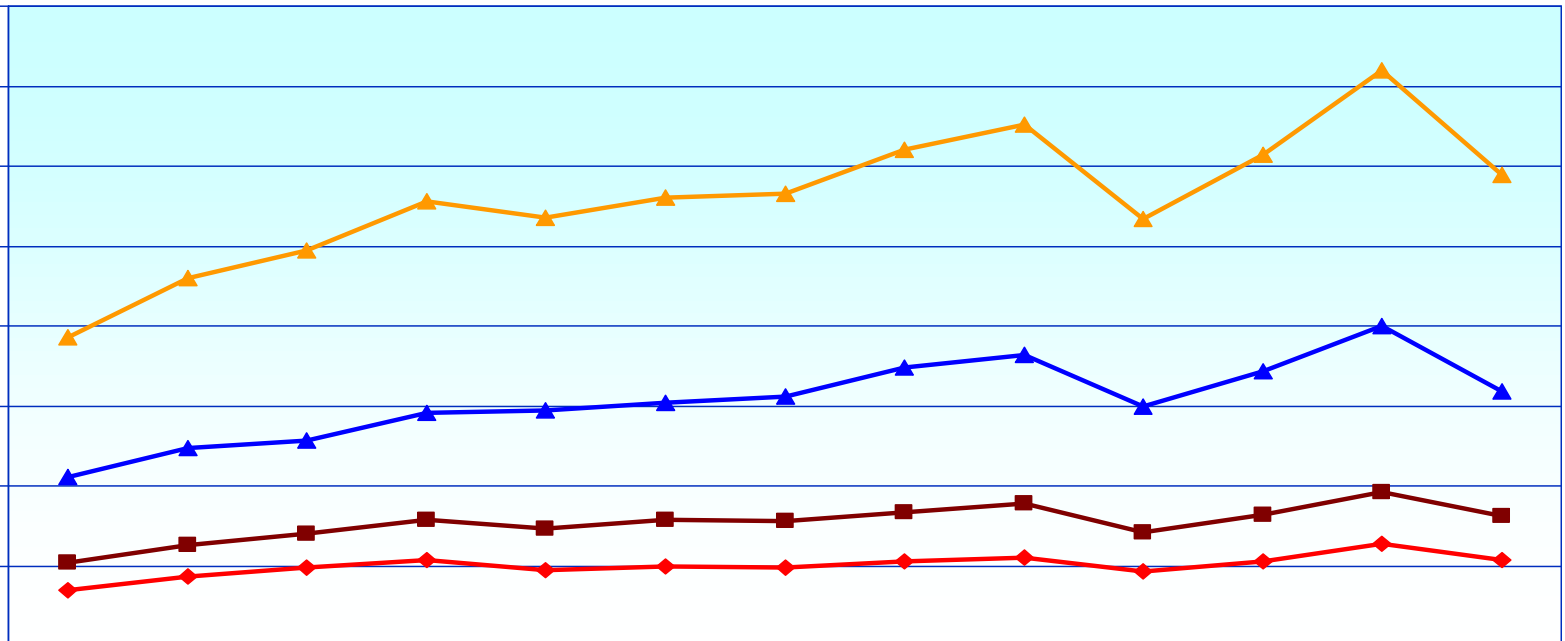
80,000

60,000

40,000

20,000

0



	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
DSCC AVN	13,995	17,263	19,661	21,483	18,998	19,835	19,667	20,993	21,901	18,508	21,076	25,612	21,459
DSCP AVN	42,350	49,362	51,437	58,163	58,882	60,798	62,345	69,620	72,739	59,932	68,782	80,112	63,764
DSCR AVN	20,798	25,310	27,947	31,569	29,322	31,401	31,190	33,247	35,715	28,331	32,879	38,273	32,582
ARMY AVN	77,143	91,935	99,045	111,215	107,202	112,034	113,212	124,160	130,355	106,771	122,737	143,997	117,805

DSCC AVN

DSCP AVN

DSCR AVN

ARMY AVN



Army Aviation & Customer Teams Net Demands (DLA Stocked Requisition Lines Received)

Net Demands

160,000

CT's REPRESENT 3.55% OF ARMY AVIATION DEMANDS IN DEC 03

140,000

120,000

100,000

80,000

60,000

40,000

20,000

0

ARMY AVN

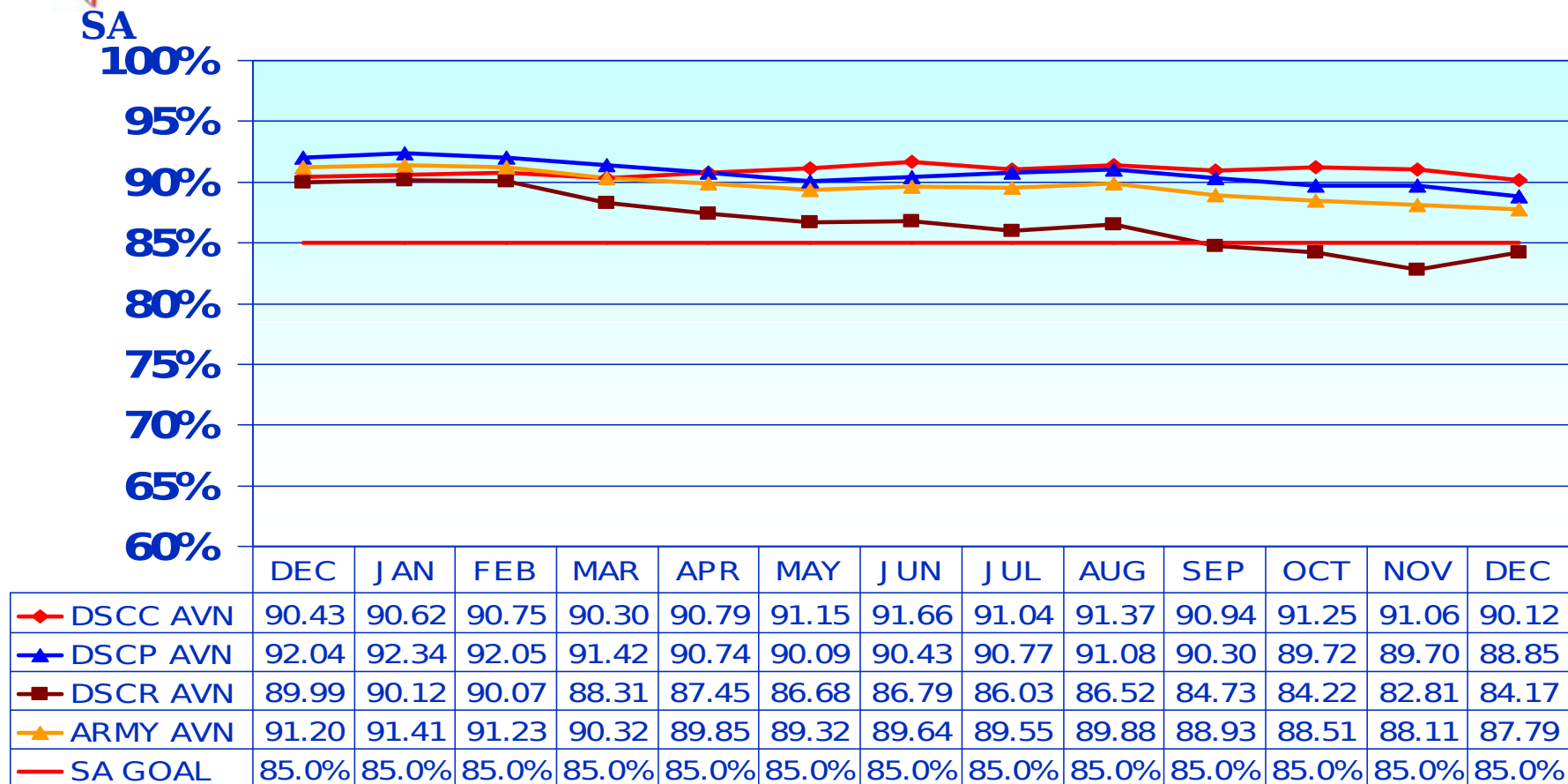
	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
ARMY AVN	77,143	91,935	99,045	111,215	107,202	112,034	113,212	124,160	130,355	106,771	122,737	143,997	117,805
CCAD CT	2,236	2,927	3,499	3,171	5,064	2,783	3,309	3,344	3,466	4,205	4,027	3,874	4,184

ARMY AVN

CCAD CT



Army Aviation By ICP Supply Availability

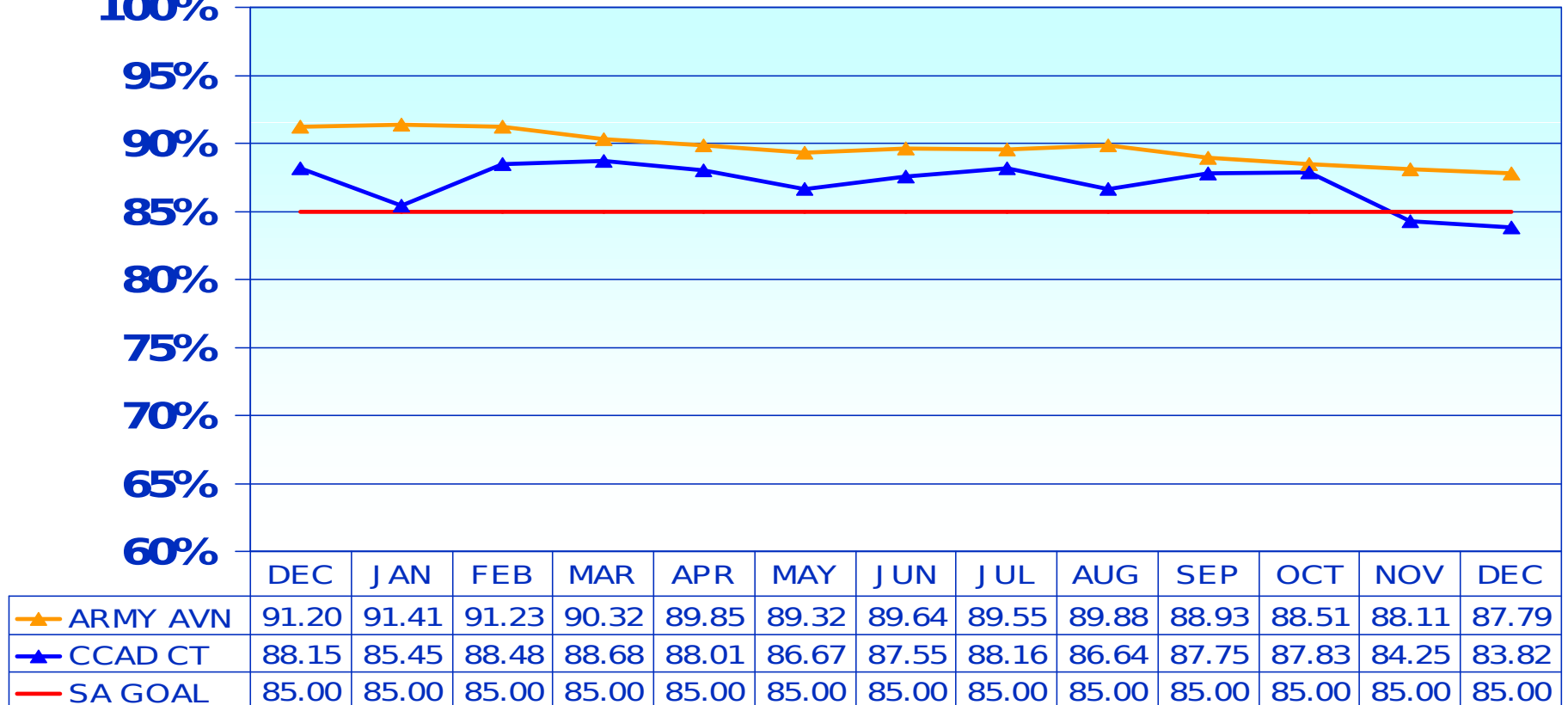


◆ DSCC AVN ▲ DSCP AVN ■ DSCR AVN ★ ARMY AVN — SA GOAL



Army Aviation & Customer Team Supply Availability

SA
100%



ARMY AVN CCAD CT SA GOAL



Army Aviation By ICP Backorders On Hand

B/O OH

35,000

30,000

25,000

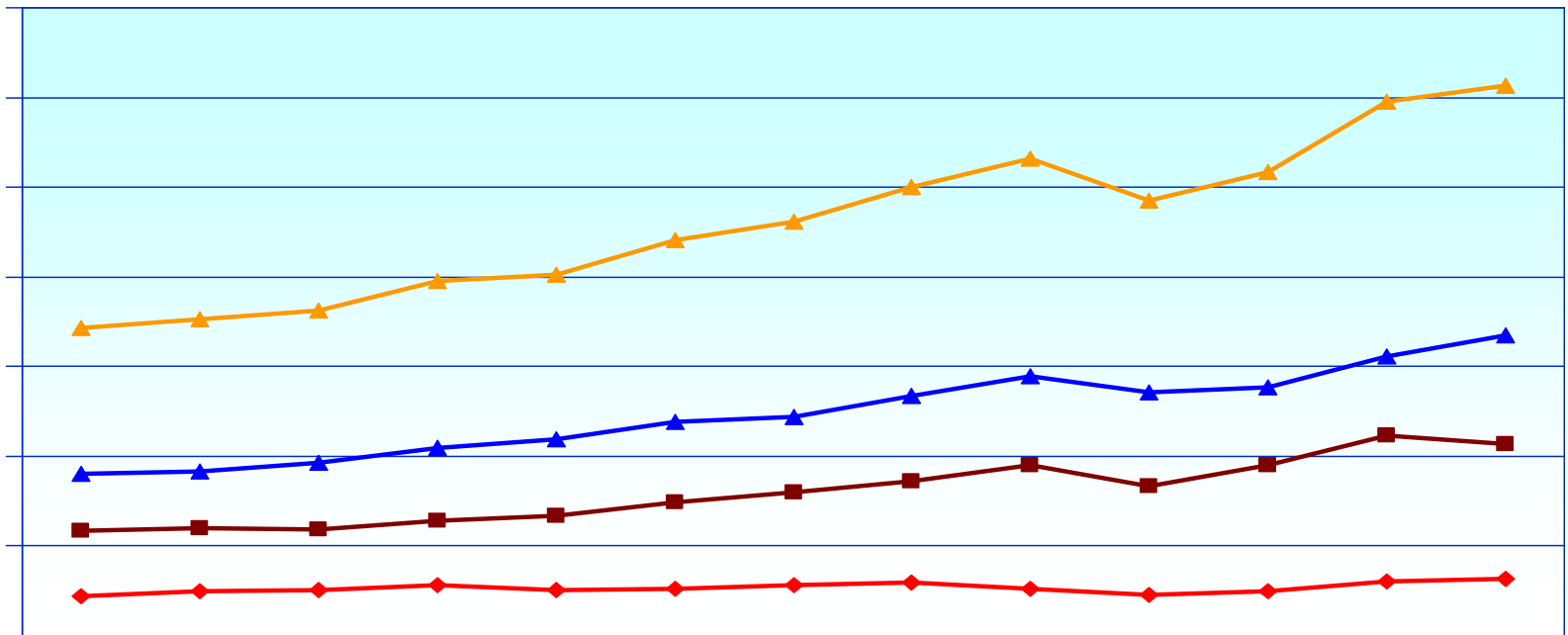
20,000

15,000

10,000

5,000

0



	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
◆ DSCC AVN	2,224	2,467	2,558	2,840	2,553	2,650	2,851	2,979	2,628	2,286	2,464	3,043	3,180
▲ DSCP AVN	9,022	9,169	9,671	10,482	10,929	11,937	12,194	13,373	14,456	13,585	13,856	15,583	16,776
■ DSCR AVN	5,878	5,976	5,918	6,427	6,659	7,470	8,021	8,635	9,530	8,366	9,516	11,152	10,675
▲ ARMY AVN	17,124	17,612	18,147	19,749	20,141	22,057	23,066	24,987	26,614	24,237	25,836	29,778	30,631

◆ DSCC AVN

▲ DSCP AVN

■ DSCR AVN

▲ ARMY AVN



Army Aviation & Customer Teams

Backorders On Hand

B/O OH

35,000

30,000

25,000

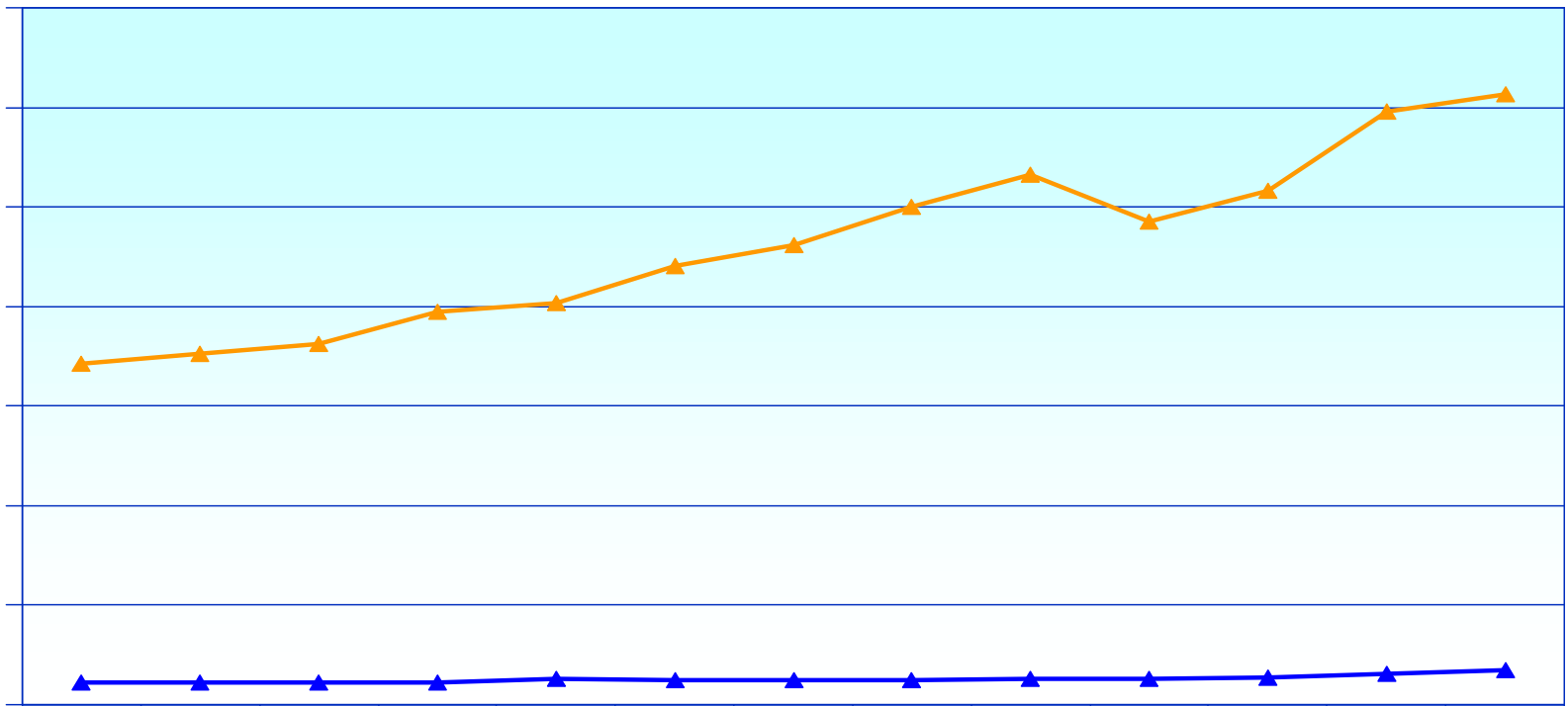
20,000

15,000

10,000

5,000

0



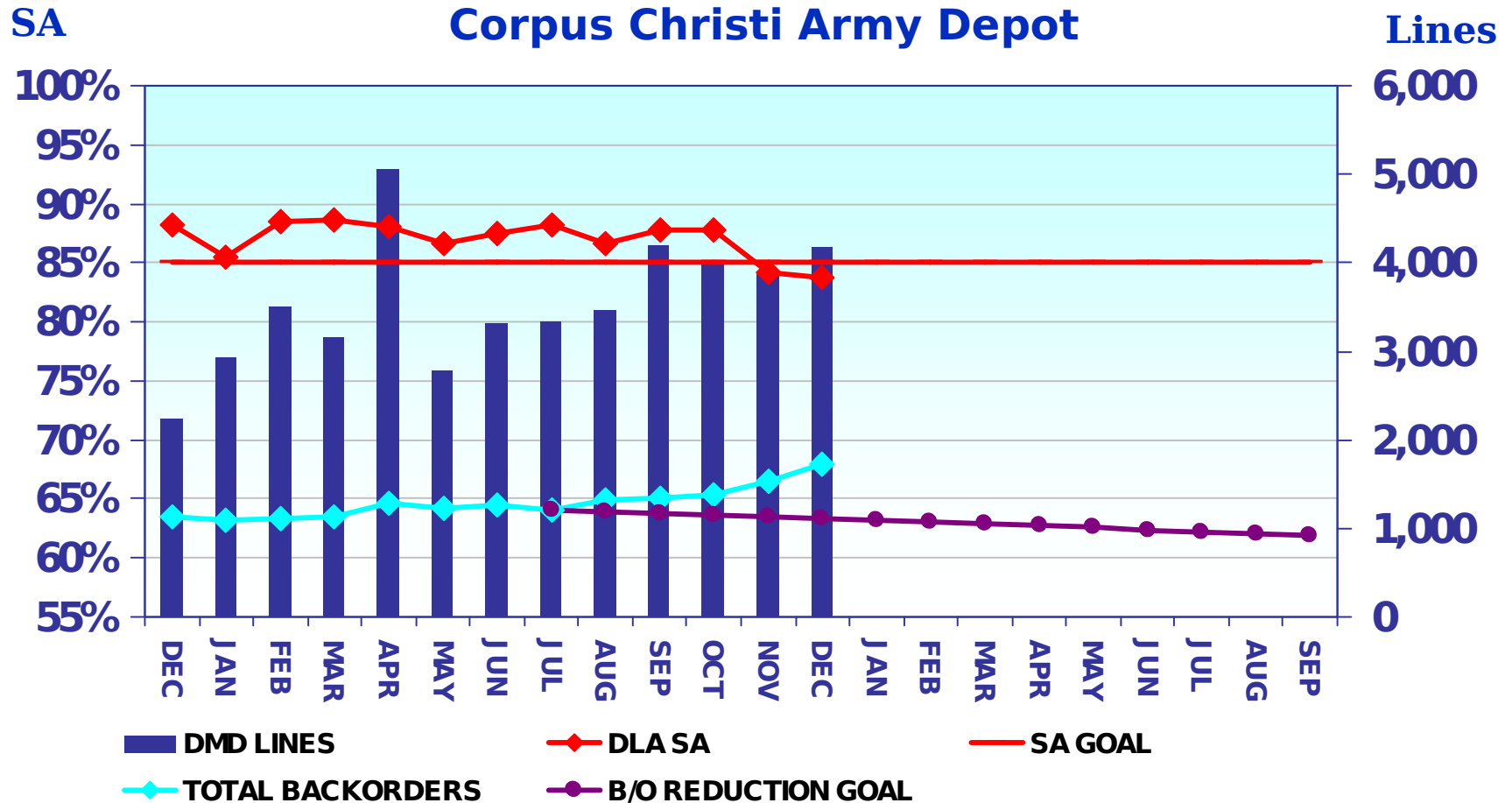
	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
ARMY AVN	17,124	17,612	18,147	19,749	20,141	22,057	23,066	24,987	26,614	24,237	25,836	29,778	30,631
CCAD CT	1,138	1,096	1,112	1,134	1,289	1,230	1,262	1,216	1,315	1,333	1,388	1,542	1,732

ARMY AVN

CCAD CT



US Army Depot





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Bottom Line Up Front

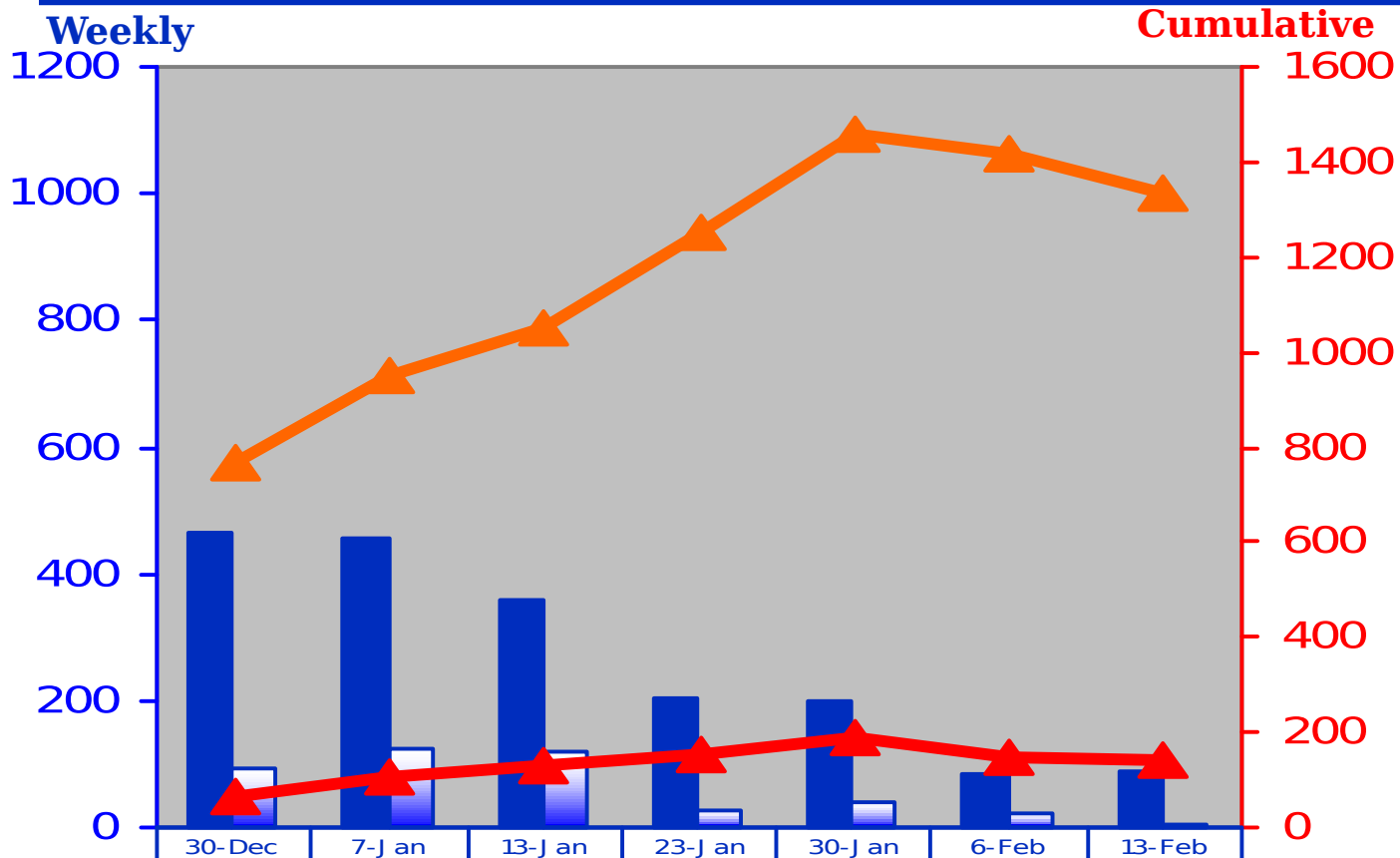
- **Bought \$1B in advance buys for OIF**
 - **Examples... Tents, JLIST, MREs, construction materiel, & repair parts**
- **Received obligation authority (OA) for RESET and OIF/OEF II & III (New Normal)**
 - **Parts on order or delivering now**
- **Close alignment ongoing with Army... “same sheet of music”**
 - **ILAP... “same sheet of music”**
 - **Richmond (DSCR) aligned with AMCOM**
 - **Columbus (DSCC) aligned with TACOM**

DLA Totally Committed to Supporting

RESET

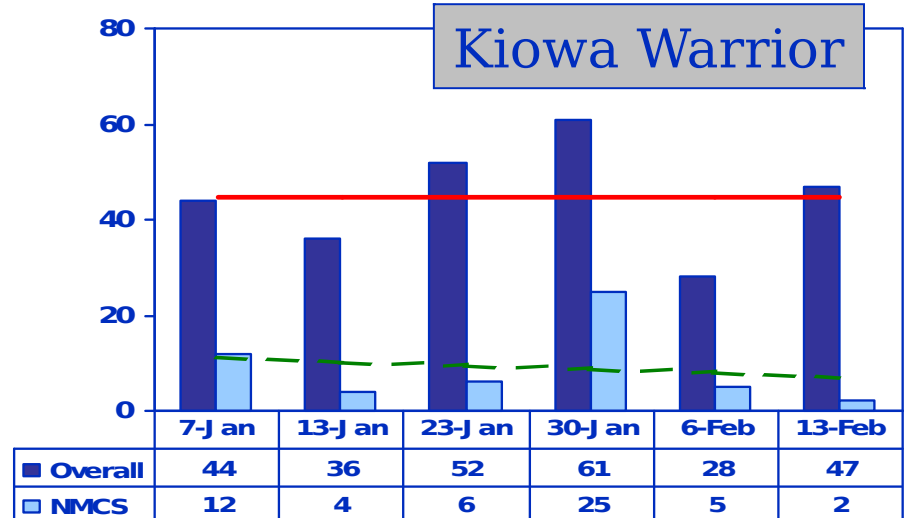
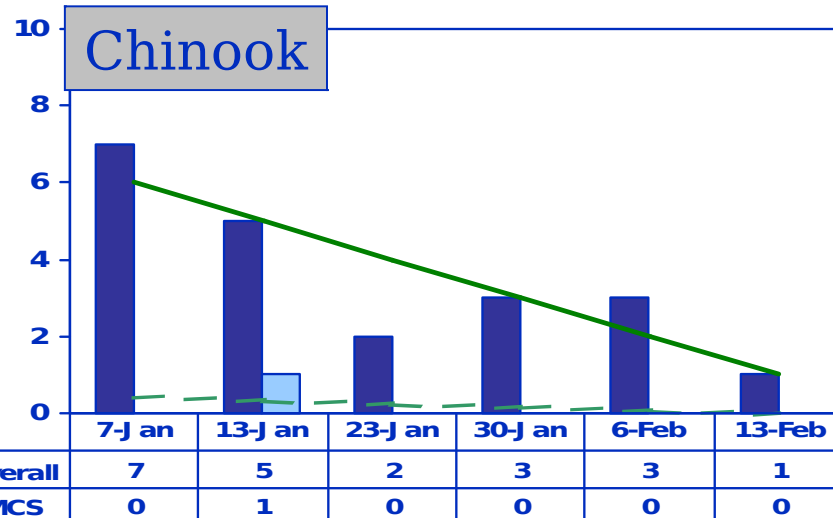
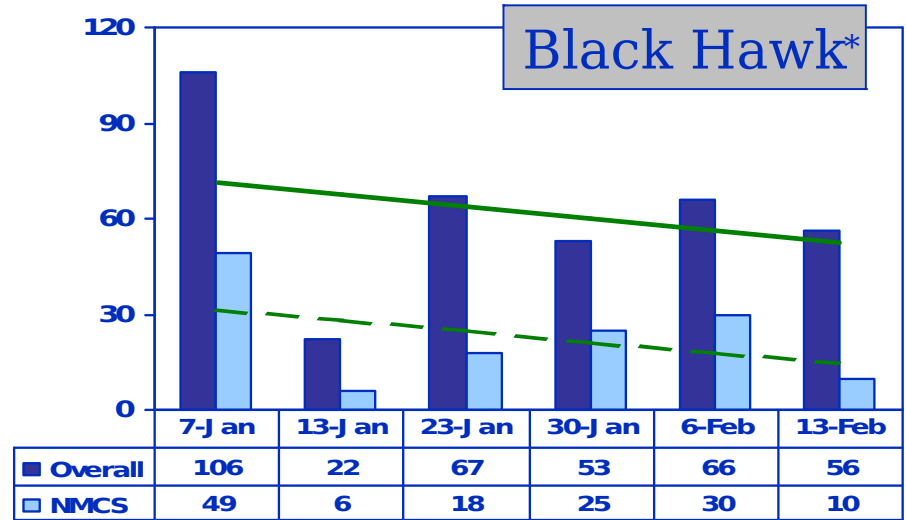
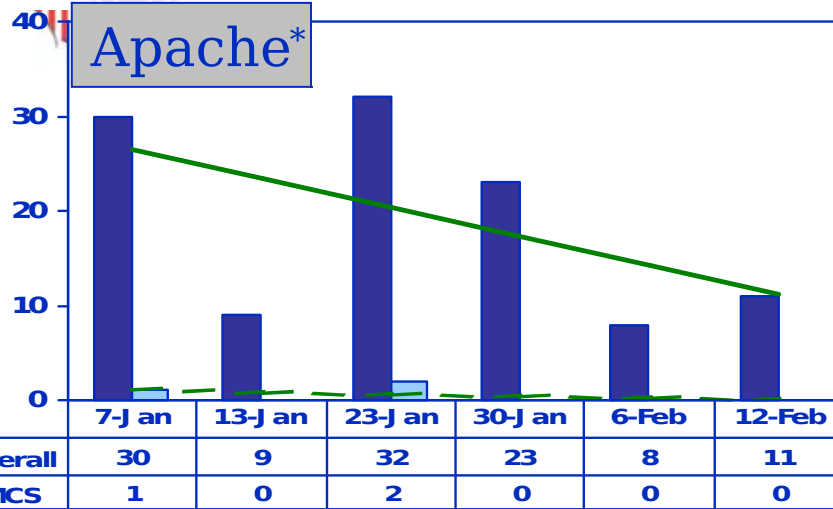


DLA OIF BACKORDERS 14 SELECTED AVN DODAACS (COMMON NSNs)





DLA OIF BACKORDERS 14 SELECTED AVN DODAACS (UNIQUE NSNs)



* Data recounted based on all weapons' WSDC Data Prepared by DSCR.

Data A/O 13 Feb 200



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DLA RESET

Requirements Engagement with Army

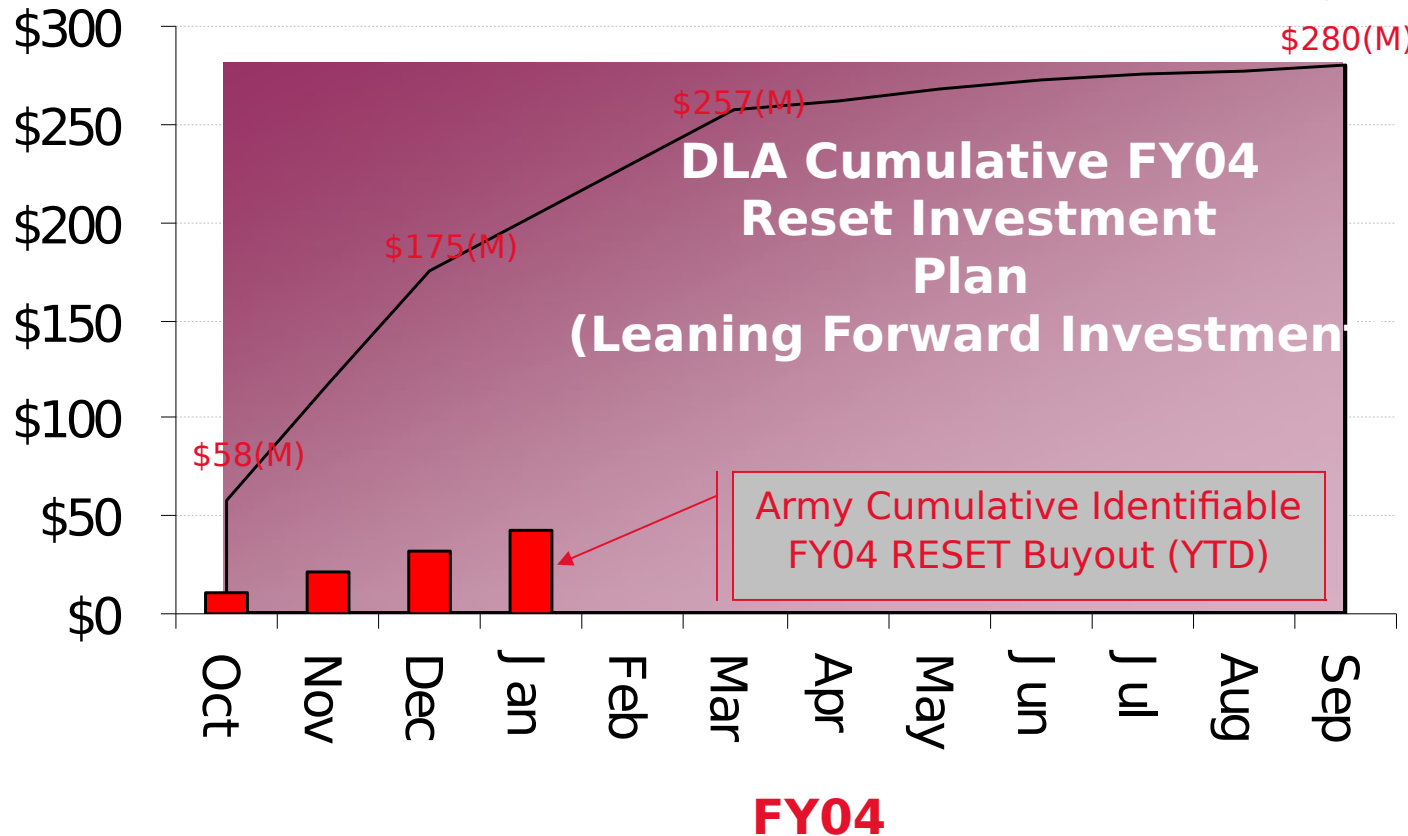
- **RESET Meetings with AMCOM & FORSCOM**
- **RESET Liaison @ AMCOM**
- **Site Visits**
- **Depot VTCs**
- **AMC VTCs**
- **Conference Calls**
- **Customer Service Reps on site at FORSCOM Installations**



DLA Additional Investment in RESET

FY04 RESET to date
88% Fill Rate
221K Demands
\$42(M)

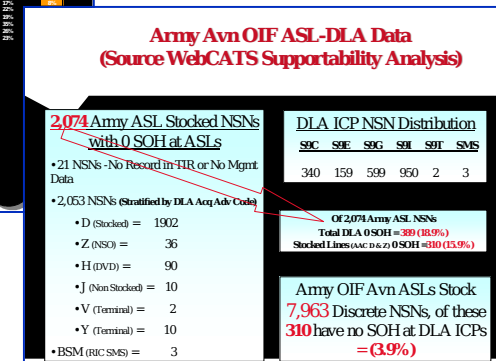
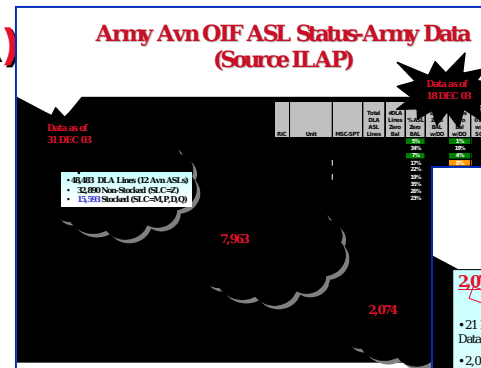
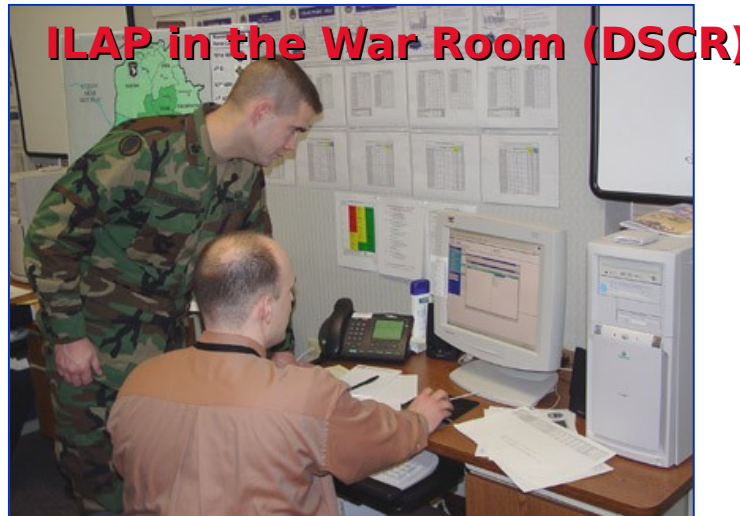
**DLA Additional Inventory Investment
& Army Identifiable RESET Buyout (\$M)**





ILAP... “Seeing What Army Sees”

- ILAP in use at all DLA Inventory Control Points
- ILAP used to evaluate DLA performance and weapon system readiness from Army’s perspective
- Example... analysis of ASL zero balance items





RESET DLA Actions & Results

- **Reconstitution & Reset planning began last summer**
- **Additional obligation authority requested and used to lean forward on RESET requirements**
- **Customer Representatives and Liaison Officers in field**
- **Inventory Control Points working with Army Depots, AMCOM, TACOM & FORSCOM**
 - **FORSCOM Programs included in Special Program Requirements**
- **Engagement with Suppliers**
- **Tracking NMCS and ASL Zero Balance items in ILAP**

Bottom Line...

DLA making an additional investment in RESET requirements of \$280M



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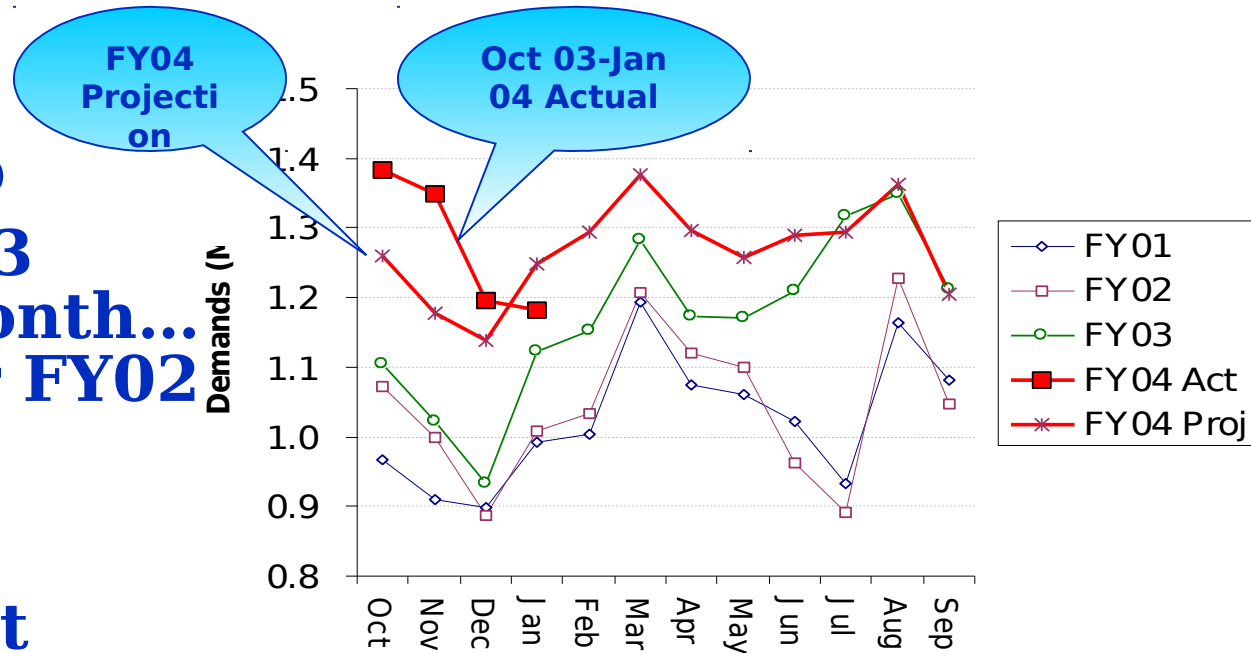
Leaning Forward

- **DLA “New Normal” requirement of \$4.6B identified for inventory obligation authority (all commodities)**
- **DLA making significant advance buys for RESET & replenishment**
 - **\$280M being invested across FY04**
 - **\$42M in Army RESET identifiable sales from Oct03-Jan04**



Why Do We Consider This A New Normal?

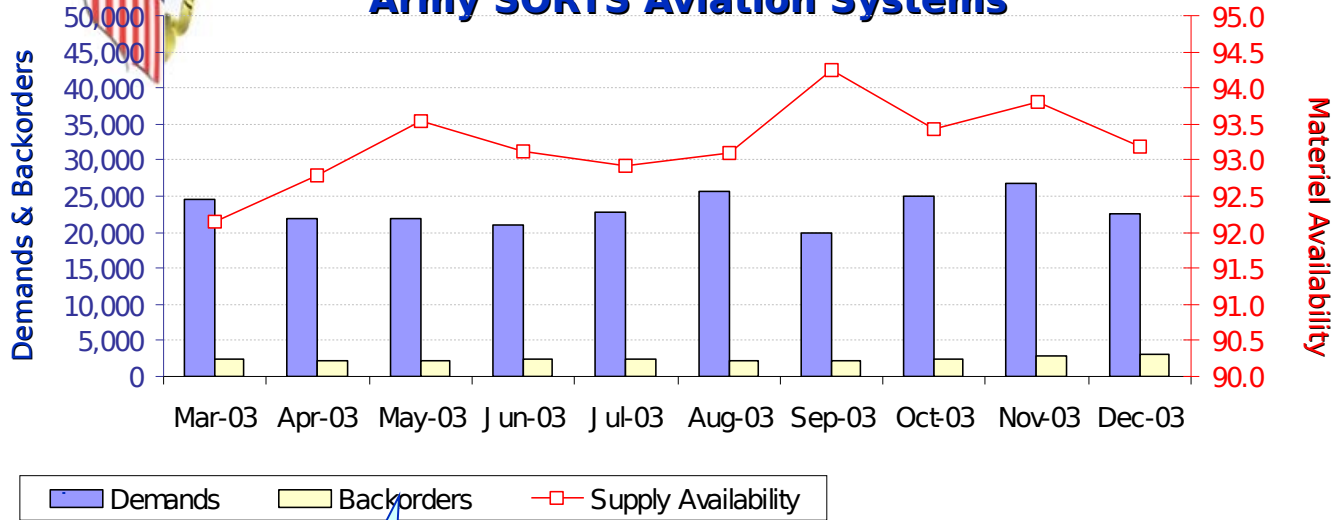
- Demand is up and staying up
 - May - Aug 03 1.3M per month... up 25% over FY02
- Workload up
 - Distribution
 - Procurement
- Inventories initially depleted & metrics declined... now beginning to see improvement
- Extraordinary efforts taken to meet workload





Impact on Army Major SORTS Weapons Systems

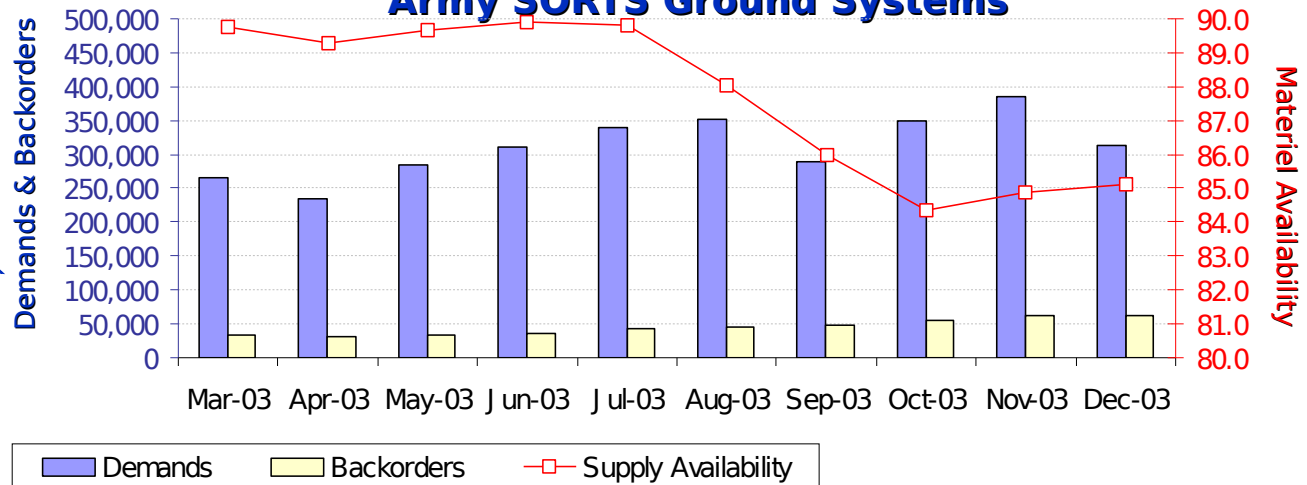
Army SORTS Aviation Systems



Aviation
Demands up 23%
Supply Availability 93%

Ground
Demands up 64%
Supply Availability 85%

Army SORTS Ground Systems





New Normal Requirements Determination Results

Personnel Requirement Obligation Authority & Expense

- Substantial personnel requirements identified to accomplish mission:
 - 540 Government personnel above FY04 plan... primarily for DDC
 - 96 contractors to cover gaps and additional workload
 - 30 military transferred from Navy for depot in Sigonella
 - Overtime for some current employees
- Majority of personnel at distribution and overseas shipment facilities to complete shipments to OIF
- Contractors & overtime needed to cover gaps in coverage temporarily during transformation
- Additional costs associated:
 - Obligation Authority (OA) required for increased sales and backorders
 - OA needed for Service identified Special Program Requirements (SPR)
 - Higher operating costs associated with higher workload
 - Increased sales +\$3.5B
 - Increased inventory +\$1.1B
 - Transportation +\$521.7M
 - Depot Costs +\$50.2M
 - Supplies/Equipment & materiel related costs +\$19.8M



DLA Materiel Availability Performance Projections Army Weapons Systems

Historical Performance



S A M M S W e a p o n
S y s t e m S A

U.S. Army Materiel Command
Supply Availability for
Fiscal Year 2003 - 2004
January 2004

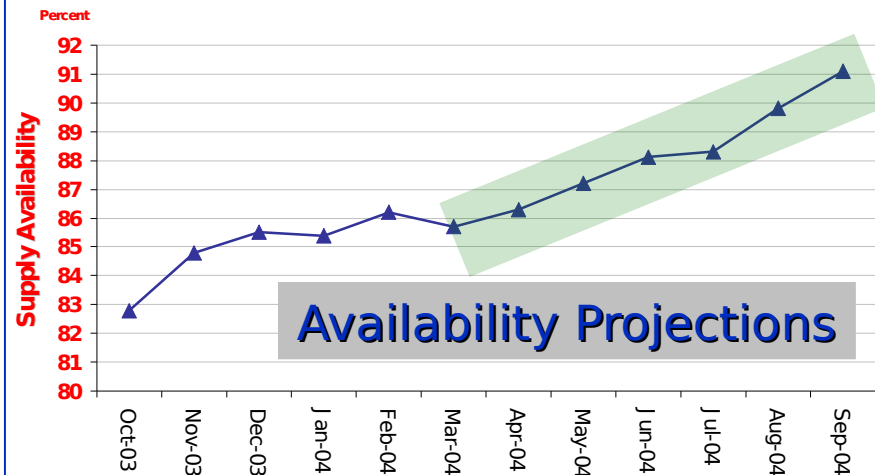
ARMY

Thousands

**Support now stable... forecasts
indicate DLA support will
substantially improve starting in
April**

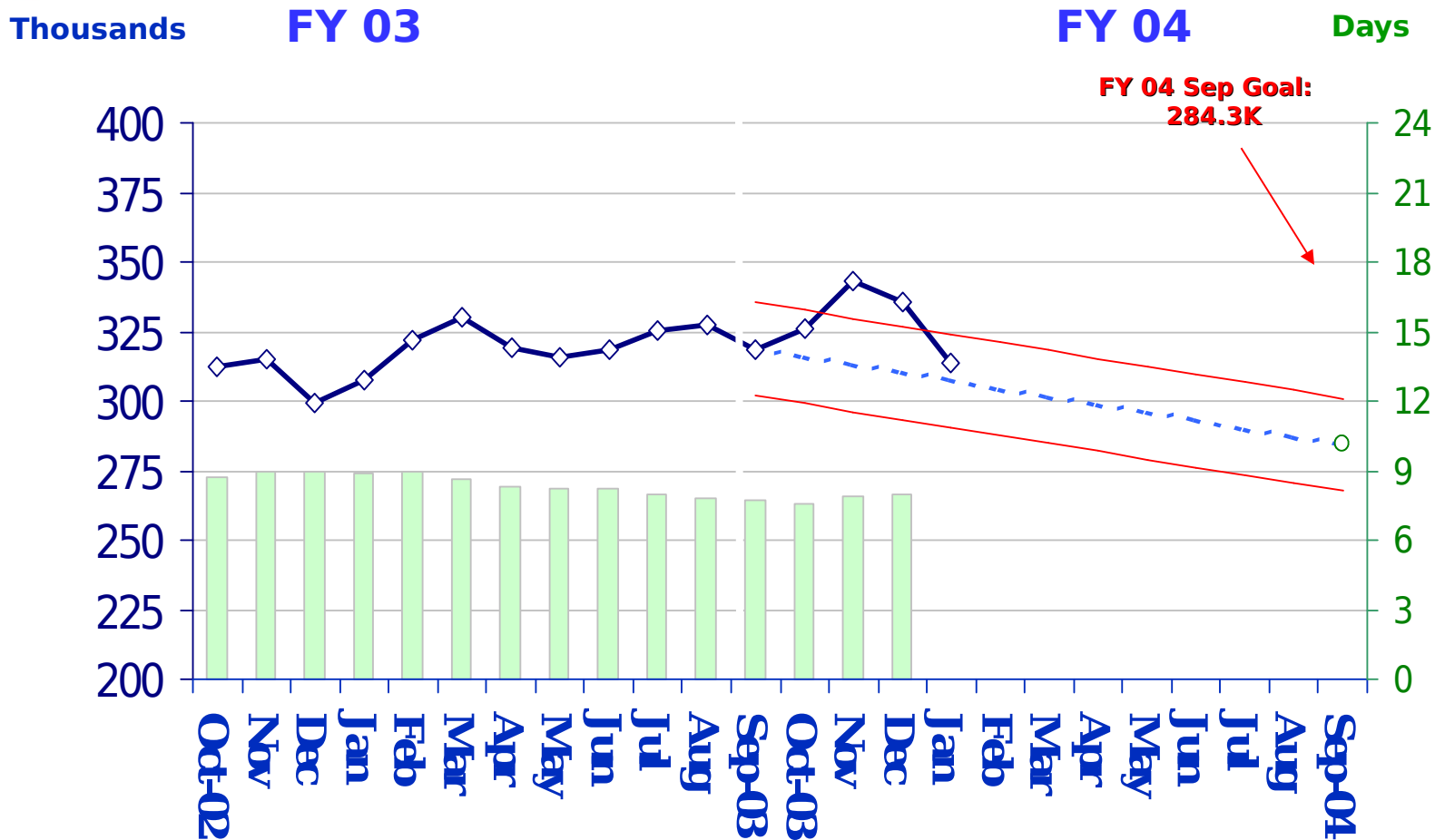


ARMY DLA Supply Availability Projection





Backorders - Hardware Total





Overall Army Engagement

- **Customer linkage**
 - **TACOM, AMCOM, AMC, CENTCOM, TRANSCOM, FORSCOM**
- **Performance Tracking... ILAP use**
 - **Common Operating Picture**
- **Internal DLA reviews**
- **DLA Projections**
 - **DLA Materiel Availability for Army Weapons Systems Items... substantial improvement beginning April 04**



Summary

- **Support for OIF/OEF forces is top priority**
- **RESET requirement in place for DLA Materiel**
- **DLA very engaged with Army over requirements, RESET & readiness**
- **Deliveries of materiel catching up with new demand levels... sustained current levels during 2nd Qtr with significant improvement during 3rd & 4th Qtr FY04**